REFI2 Whitepaper v2.1

Asset-backed digital yield infrastructure powered by Canadian secured mortgage lending.

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Disclaimer

This whitepaper is provided for informational purposes only. It does not constitute financial, investment, legal, or tax advice, nor does it represent an offer or solicitation to purchase securities.

Participation in sREFI2 staking is subject to Know Your Customer (KYC) and Anti-Money Laundering (AML) requirements.

Introduction

Access to stable and reliable yield is one of the most sought-after opportunities in global finance. Traditional investment products often suffer from high barriers to entry, opaque structures, limited accessibility, or a lack of liquidity.

REFI2 bridges that gap by providing a digitally native, dollar-pegged settlement token backed by a regulated Canadian mortgage book, paired with a regulated yield-bearing staking instrument, sREFI2, distributed through compliant channels.

REFI2 is a stable-value utility token pegged 1:1 to the U.S. Dollar. sREFI2 is a non-transferable staking token that earns a fixed annual yield and is offered to eligible investors through applicable exempt-market channels.

Vision

REFI2 aims to create a globally accessible digital yield ecosystem that blends the stability of real-world secured lending with the efficiency and transparency of blockchain technology.

- Offer stable, predictable returns backed by real-world assets.
- Enable eligible investors to participate through compliant, regulated channels.
- Serve as a building block for on-chain financial ecosystems that integrate real-world yield sources.
- Provide auditable holdings with on-chain transparency and published proof-of-reserves.

Ecosystem Overview

REFI2 Token

A fully collateralized, 1:1 USD-pegged utility token on Solana, used for settlement, trading, and staking. It is not a security.

sREFI2 Token
A non-transferable, KYC-gated staking token that accrues fixed yield for verified accredited investors. It is treated as a security in Canada.

Staking Contract
A Solana smart contract that enforces KYC gating at stake entry, tracks yield accrual, and manages redemptions.

Yield Engine
Off-chain operational infrastructure that deploys capital through regulated Canadian mortgage lending.

Mortgage Book
A portfolio of primarily second-position residential mortgages in Canada, held by ReFi Fund and serviced under Ontario FSRA regulation.

Corporate Structure

ReFi Technologies
Cayman Foundation Company responsible for governance and group holding functions.

ReFi Finance
BVI entity responsible for intellectual property, operational infrastructure, and group treasury.

ReFi Digital
BVI VASP responsible for token issuance, distribution, and OTC redemption operations.

ReFi Labs
Canadian entity responsible for Canadian operations, service administration, and Exempt Market Dealer relationships.

ReFi Fund
Canadian entity responsible for mortgage origination, servicing, and enforcement under Ontario FSRA regulation.

This structure places regulated lending activity in Canadian entities, token issuance under the BVI VASP framework, and group governance in a neutral foundation structure.

Token Mechanics

REFI2 Token

- Peg: 1 REFI2 = 1 USD.
- Standard: Token-2022 on Solana.
- Transferable: Yes.

- KYC-gated: No.
- Supply: Dynamic, issued against attested additions to the mortgage book.
- Freeze authority: None.
- Use cases: stable-value settlement, DEX liquidity, staking into sREFI2 for eligible investors, and OTC redemption at par.

sREFI2 Token

- Standard: Token-2022 with Non-Transferable extension.
- Transferable: No.
- KYC-gated: Yes.
- Yield: 8% fixed annual rate.
- Payment currency: USDC.
- Investor eligibility: Verified accredited investors.
- sREFI2 cannot be sold or transferred on secondary markets. The only exit is to unstake, which burns sREFI2 and returns the underlying REFI2.

Staking Lifecycle

1. Investor completes KYC and suitability assessment.
2. Investor subscribes and receives REFI2.
3. Investor stakes REFI2 through the staking contract.
4. Yield accrues continuously and is claimable in USDC.
5. Investor exits by unstaking, burning sREFI2, and receiving REFI2 back.

Yield Generation Model

Yield paid to sREFI2 holders originates from real, secured mortgage interest earned by ReFi Fund.

Mortgage Strategy

- Position: Primarily second-position, with selective first-position exposure.
- Property type: Residential, including single-family, multi-family, and mixed-use.
- Loan-to-value: Maximum 80% combined LTV.
- Term: 12 months typical.
- Interest rates: 10% to 20% gross APY, including origination fees.
- Geography: Canada-wide.
- Origination: Licensed mortgage brokers.

Cash flow path: Borrowers pay interest and principal to ReFi Fund in CAD. Net interest income is remitted to ReFi Finance under the intercompany loan facility. ReFi Finance funds the yield vault, from which sREFI2 holders claim yield in USDC.

Yield Distribution Model

- APY: 8% fixed annual yield.
- Distribution frequency: Continuously accrued, claimable at any time.
- Claim requirement: Must be a verified sREFI2 staker.
- Payment currency: USDC.
- Lock-up period: None, with 7-day OTC settlement.

Peg Maintenance

- Structural overcollateralization: Minimum 110% collateralization of circulating REFI2 supply.
- DEX liquidity: Up to 10% of circulating REFI2 supply committed to concentrated liquidity on Meteora DLMM.
- OTC redemption at par: Holders can redeem REFI2 at $1 per token with 7-day settlement.
- Strategic reserves: USDC reserves held in multisig-controlled treasury accounts.
- Secured credit line: Credit line backed by the mortgage book for stress scenarios.

Legal & Regulatory Compliance

- REFI2 issuance: ReFi Digital, BVI Virtual Asset Service Provider.
- sREFI2 distribution: Jurisdiction-specific exempt-market channels.
- Mortgage lending: ReFi Fund under Ontario FSRA supervision.
- Governance: ReFi Technologies, Cayman Foundation Company.
- KYC/AML on sREFI2.
- Sanctions screening for OTC redemption counterparties.
- Mortgage regulation through Ontario FSRA.
- FINTRAC compliance for Canadian entities.
- External smart contract audits prior to mainnet.
- Legal counsel across operating jurisdictions.

Governance

- Transparency: On-chain publication of reserves, collateralization ratio, and yield vault status.
- Separation of powers: Separate entities for issuance, asset management, operations, and governance.
- Independent oversight: Annual audits and periodic smart contract reviews.

Critical smart contract functions are controlled by Squads multisig authorities. Protocol parameter changes require multi-signature approval.

Technology Architecture

- Blockchain: Solana, a high-throughput, low-cost base layer.
- Token standard: Token-2022, supporting metadata, the NonTransferable extension, and freeze controls.
- Smart contracts: Staking program and Token Controller program, with external audit underway and open-source release planned.
- Liquidity: Meteora DLMM, a concentrated liquidity AMM for REFI2/USDC trading.
- KYC provider: Didit, used for identity verification and accredited-investor attestation.
- Multisig: Squads v4, used as multi-signature authority for protocol operations.
- Reporting: On-chain dashboard for real-time transparency on supply, reserves, and peg metrics.

Transparency & Reporting

- Monthly collateralization ratio publication.
- Quarterly portfolio composition, yield performance, and peg reports.
- Annual audited financial statements under IFRS.
- On-chain transparency for supply, vault balances, staked amounts, and yield distribution.
- Public smart contract audit reports.
- Bug bounty program on Immunefi from launch.

Tokenomics Summary

REFI2 is a utility token with a 1:1 USD peg, transferability, no KYC requirement at the token layer, no yield, open-market or OTC redemption at par with 7-day settlement, variable supply backed 110%+ by the mortgage book, and no freeze authority.

sREFI2 is a staking security derived from REFI2. It is non-transferable, KYC-gated at staking, designed to receive 8% fixed yield paid in USDC, redeemable by unstaking and burning sREFI2 for REFI2, variable in supply based on staking, and subject to multisig-controlled freeze authority for sanctions only.

Risk Factors

Credit risk

Borrowers in the underlying mortgage portfolio may fail to perform, affecting available cash flow.

Liquidity risk

OTC redemption and yield liquidity depend on treasury resources, portfolio cash flow, and settlement timing.

Market risk

Secondary market pricing and DEX liquidity may fluctuate during periods of volatility.

Regulatory risk

Applicable laws, exemptions, and virtual asset frameworks may evolve across operating jurisdictions.

Smart contract risk

Protocol contracts may contain vulnerabilities despite audit, review, and operational controls.

Counterparty risk

The ecosystem relies on regulated entities, service providers, banks, brokers, and infrastructure partners.

Currency risk

Mortgage cash flows are primarily CAD while token settlement and yield distribution use USD-denominated assets.

Operational risk

Processes for origination, reporting, treasury, compliance, and redemption require reliable execution.

Jurisdictional risk

Cross-border operations may be affected by local rules, tax treatment, sanctions, or restrictions.

Default risk

Mortgage defaults, enforcement delays, and recovery costs may reduce realized portfolio returns.

Roadmap

- Phase 1: Corporate structure setup and private equity raise. Status: In progress.
- Phase 2: Mortgage book origination, smart contract development, and audit. Status: Audit underway and book building.
- Phase 3: Mainnet launch, token activation, and staking activation. Status: In planning.
- Phase 4: Secondary market integration and growth to target book size. Status: Post-launch.
- Phase 5: Ecosystem expansion. Status: Future.

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